

1 AN ACT relating to city revenue and declaring an emergency.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 91A.390 is amended to read as follows:

- 4 (1) (a) The commission shall annually submit to the local governing body or bodies
5 which established it a request for funds for the operation of the commission.
- 6 (b) The local governing body or bodies shall include the commission in the
7 annual budget and shall provide funds for the operation of the commission by
8 imposing a transient room tax on the rent for every occupancy of a suite,
9 room, or rooms, charged by all persons, companies, corporations, or other like
10 or similar persons, groups, or organizations doing business as motor courts,
11 motels, hotels, inns, or like or similar accommodations businesses as follows:
- 12 1. For a local governing body or bodies, other than an urban-county
13 government, the tax rate shall not exceed three percent (3%); and
 - 14 2. For an urban-county government, the tax rate shall not exceed four
15 percent (4%).
- 16 (c) In addition to the three percent (3%) levy authorized by paragraph (b)1. of this
17 subsection, the local governing body other than an urban-county government
18 may impose a special transient room tax not to exceed one percent (1%) for
19 the purposes of:
- 20 1. Meeting the operating expenses of a convention center; and
 - 21 2. In the case of a consolidated local government, financing the renovation
22 or expansion of a convention center that is government-owned and
23 located in the central business district of the consolidated local
24 government, except that if a consolidated local government imposes the
25 special transient room tax authorized under this paragraph on or after
26 August 1, 2014, revenue derived from the levy shall not be used to meet
27 the operating expenses of a convention center until any debt issued for

1 financing the renovation or expansion of a government-owned
2 convention center located in the central business district of the
3 consolidated local government is retired.

4 (d) Transient room taxes shall not apply to the rental or leasing of an apartment
5 supplied by an individual or business that regularly holds itself out as
6 exclusively providing apartments. Apartment means a room or set of rooms,
7 in an apartment building, fitted especially with a kitchen and usually leased as
8 a dwelling for a minimum period of thirty (30) days or more.

9 (e) The local governing body or bodies that have established a commission by
10 joint or separate action shall enact an ordinance for the enforcement of the tax
11 measure enacted pursuant to this section and the collection of the proceeds of
12 this tax measure on a monthly basis.

13 (2) All moneys collected pursuant to this section [~~and KRS 91A.400~~] shall be
14 maintained in an account separate and unique from all other funds and revenues
15 collected, and shall be considered tax revenue for the purposes of KRS 68.100 and
16 KRS 92.330.

17 (3) A portion of the money collected from the imposition of this tax, as determined by
18 the tax levying body, upon the advice and consent of the tourist and convention
19 commission, may be used to finance the cost of acquisition, construction, operation,
20 and maintenance of facilities useful in the attraction and promotion of tourist and
21 convention business, including projects described in KRS 154.30-050(2)(a). The
22 balance of the money collected from the imposition of this tax shall be used for the
23 purposes set forth in KRS 91A.350. Proceeds of the tax shall not be used as a
24 subsidy in any form to any hotel, motel, or restaurant, except as provided in KRS
25 154.30-050(2)(a)3.c. Money not expended by the commission during any fiscal year
26 shall be used to make up a part of the commission's budget for its next fiscal year.

27 (4) A county with a city of the first class may impose an additional tax, not to exceed

1 one and one-half percent (1.5%) of the room rent. This additional tax, if approved
2 by the local governing body, shall be collected and administered in the same manner
3 as the regular tax and shall be used for the purpose of funding additional promotion
4 of tourist and convention business.

5 (5) An urban-county government may impose an additional tax, not to exceed one
6 percent (1%) of the room rents included in this subsection. This additional tax shall
7 be collected and administered in the same manner as the regular tax with the
8 exception that this additional tax shall be used for the purpose of funding the
9 purchase of development rights program provided for under KRS 67A.845.

10 (6) Local governing bodies which have formed multicounty tourist and convention
11 commissions as provided by KRS 91A.350(3) may impose an additional tax, not to
12 exceed one percent (1%) of the room rents. This additional tax, if approved by each
13 governing body, shall be collected and administered in the same manner as the
14 regular tax, with the exception that this additional tax shall be used for the purpose
15 of funding regional efforts relating to the promotion of tourist and convention
16 business and convention centers. In no event shall any revenues collected as
17 provided for under KRS 91A.350(3) be utilized for the construction, renovation,
18 maintenance, or additions to any convention center that is located outside the
19 boundaries of the Commonwealth of Kentucky.

20 (7) The commission, with the approval of the tax levying body, may borrow money to
21 pay its obligations that cannot be paid at maturity out of current revenue from the
22 transient room tax, but shall not borrow a sum greater than can be repaid out of the
23 revenue anticipated from the transient room tax during the year the money is
24 borrowed. The commission may pledge its securities for the repayment of any sum
25 borrowed.

26 (8) The fiscal court or legislative body of a consolidated local government or city
27 establishing a commission pursuant to KRS 91A.350(1) or (2) and, in its own name,

1 a commission established pursuant to of KRS 91A.350(1) is authorized and
2 empowered to issue revenue bonds pursuant to KRS Chapter 58 for public projects.
3 Bonds issued for the purposes of KRS 91A.350 to 91A.390, may be used to pay any
4 cost for the acquisition of real estate, the construction of buildings and
5 appurtenances, the preparation of plans and specifications, and legal and other
6 services incidental to the project or to the issuance of the bonds. The payment of the
7 bonds, with interest, may be secured by a pledge of and a first lien on all of the
8 receipts and revenue derived, or to be derived, from the rental or operation of the
9 property involved. Bond and interest obligations issued pursuant to this section shall
10 not constitute an indebtedness of the county, consolidated local government, or city.
11 All bonds sold under the authority of this section shall be subject to competitive
12 bidding as provided by law, and shall bear interest at a rate not to exceed that
13 established for bonds issued for public projects under KRS Chapter 58.

14 (9) A commission established pursuant to KRS 91A.350(3) is authorized and
15 empowered to issue revenue bonds in its own name, payable solely from its income
16 and revenue, pursuant to KRS Chapter 58 for revenue bonds for public projects.
17 Bonds issued for the purposes of KRS 91A.350 to 91A.390, may be used to pay any
18 cost for the acquisition of real estate, the construction of buildings and
19 appurtenances, the preparation of plans and specifications, and legal and other
20 services incidental to the project or to the issuance of the bonds. The payment of the
21 bonds, with interest, may be secured by a pledge of and a first lien on all of the
22 receipts and revenue derived, or to be derived, from the rental or operation of the
23 property involved. Bond and interest obligations issued pursuant to this section shall
24 not constitute an indebtedness of the county. All bonds sold pursuant to this section
25 shall be subject to competitive bidding as provided by law, and shall not bear
26 interest at rates exceeding those for bonds issued for public projects under KRS
27 Chapter 58.

1 ➔Section 2. KRS 91A.400 is amended to read as follows:

2 (1) As used in this section, "authorized city" means any home rule class^[a] city in the
3 Commonwealth~~[on the registry maintained by the Department for Local~~
4 Government under subsection (2) of this section].

5 ~~(2) On or before January 1, 2015, the Department for Local Government shall create~~
6 ~~and maintain a registry of cities that, as of January 1, 2014, were classified as cities~~
7 ~~of the fourth or fifth class. The Department for Local Government shall make the~~
8 ~~information included on the registry available to the public by publishing it on its~~
9 ~~Web site.~~

10 ~~(3)~~ In addition to the three percent (3%) transient room tax authorized by KRS
11 91A.390, the city legislative body in an authorized city may levy an additional
12 restaurant tax not to exceed three percent (3%) of the retail sales by all restaurants
13 doing business in the city. All moneys collected from the tax authorized by this
14 section shall be turned over to the city to be used for County Employee Retirement
15 System contribution rates established by the Kentucky Retirement Systems board
16 of trustees~~[tourist and convention commission established in that city as provided~~
17 ~~by KRS 91A.350 to 91A.390]~~.

18 ➔Section 3. Whereas it is vital that pension contributions be maintained to ensure
19 proper resources are available at the beginning of a fiscal year, an emergency is declared
20 to exist, and this Act takes effect upon its passage and approval by the Governor or upon
21 its otherwise becoming a law.